



PUBLIC DISCLOSURE

January 19, 1999

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Tri City National Bank
Charter Number 15738**

**6400 South 27th Street
Oak Creek, Wisconsin 53154**

**Office of the Comptroller of the Currency
Milwaukee Field Office
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NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Tri City National Bank** (TCNB) prepared by **The Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **January 19, 1999**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25. That section of the regulation became effective on January 1, 1996.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Public Disclosure. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Assessment Area (AA) - The geographic area which an institution selects as the community within which its regulator will assess the institution's record of CRA performance.

Census Tract (CT) - Small, locally defined statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries and contain between 2,500 and 8,000 inhabitants. A CT is also called a "geography."

Community Development Purpose - A community development purpose is defined per 12 C.F.R. 25.12(h) as affordable housing (including multi-family rental housing) for low- and moderate-income (LMI) individuals; community services targeted to LMI individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of 13 C.F.R. 121.802(a)(2) or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize LMI geographies.

Community Reinvestment Act (CRA) - A statute that requires federal regulators to evaluate a financial institution's record of meeting community credit needs in the institution's local community. *(This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2901, as amended, and 12 C.F.R. 25, as amended).*

Home Mortgage Disclosure Act (HMDA) - A statute that requires certain mortgage lenders that do business or have banking offices in Metropolitan Statistical Areas to file annual summary reports of their lending activity. The reports include such data as the race, gender, and the income of the applicant(s), the amount of loan requested and its disposition (e.g. made, turned down, withdrawn). The types of loan applications reported include governmentally-guaranteed home purchase and home improvement loans, conventional home purchase loans, home improvement loans, refinancing of home purchase and home improvement loans and loans for the purchase of multi-family (5 or more units) dwellings. *(This is a generic description of the bank's requirements and not a legal explanation of the requirements contained in 12 U.S.C. 2801, as amended, and 12 C.F.R. 203 as amended.)*

Income Levels - These relate to individuals, families, or the CT's in an MSA area.

Low = An income level that is less than 50 percent of the median income.

Moderate = An income level that is at least 50 percent and less than 80 percent of the median income.

LMI = An income level that is less than 80 percent of the median income.

Middle = An income level that is at least 80 percent and less than 120 percent of the median income.

Upper = An income level that is 120 percent or more of the median income.

Median Family Income (MFI) - The median family income for a specific MSA as determined by the United States Census Bureau. The Department of Housing and Urban Development (HUD) updates this figure annually using an estimated inflation factor.

Metropolitan Statistical Area (MSA) - An area containing a city with a population of at least 50,000 or an urbanized area with a population of at least 50,000 and a total metropolitan population of at least 100,000. Generally, MSAs consist of one or more whole counties that have a high degree of interaction.

Small Business or Farm - A business or farm that has \$1 million or less in gross annual revenues.

Small Loan, at origination, to a Business - A loan of \$1 million or less to a business of any size.

Tri City National Bank (TCNB) - Tri City National Bank, Oak Creek, Wisconsin.

Institution’s CRA Rating: This institution is rated “**Satisfactory record of meeting community credit needs.**”

The primary reasons for this rating are:

- TCNB has an adequate penetration of loans to all segments of its assessment area.
- The bank’s distribution of loans to borrowers of different income levels is adequate. The bank exhibits a good penetration of loans to business customers of different sizes.
- The bank makes an adequate level of community development loans.
- ▶ The institution has a low level of qualified community development investments and grants.
- ▶ The institution provides a relatively high level of community development services.

The following table indicates the performance level of TCNB with respect to the lending, investment, and service tests.

Performance Levels	Tri City National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High satisfactory			X
Low satisfactory	X		
Needs to improve		X	
Substantial noncompliance			

* Note: The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The last Performance Evaluation was dated December 18, 1996 when TCNB was rated as having a “Satisfactory Record of Meeting Community Credit Needs.”

Description of Institution

TCNB is 100% owned by Tri City Bankshares (TCB), headquartered in Oak Creek, Wisconsin. TCB is a one bank holding company. TCNB is the eleventh largest bank in Milwaukee County.

The bank has 31 banking offices located in Milwaukee, Waukesha and Ozaukee Counties. These comprise three of the four counties in the Milwaukee-Waukesha MSA. The fourth is Washington County. Twenty-nine of the offices are full-service locations. Fourteen of the offices are traditional “brick and mortar” facilities and fifteen are convenience centers located in grocery stores. There is one limited service branch in the San Camillo retirement community in the City of Wauwatosa. There is also a drive-through facility in Hales Corners, Wisconsin that offers limited services. TCNB also owns and operates twenty eight automatic teller machines (ATMs) in these counties. The locations of the offices and ATMs are detailed in Table 6 - Distribution of Branch and ATM Delivery System in the Appendix.

TCNB’s historical business strategy was to operate in smaller communities on the perimeter of Milwaukee and Washington Counties. In 1990, Tri City Bankshares Corporation merged the then six existing community banks into one, TCNB. The merger enabled the bank to realize cost savings and allowed customers to access accounts at any TCNB location. The merger also resulted in an expanded AA. Instead of several smaller AA’s around the individual institutions, the bank combined the separate AA’s into one large AA. This new AA included a greater number of geographies further from bank offices. The new, larger AA, also contained all financial institutions in the City of Milwaukee, including several regional banks with greater resources. This meant that TCNB had more competition in its AA and made it more difficult for TCNB to be competitive in areas of its AA where office locations are further away.

The bank’s business strategy is to operate in a community bank manner and maintain a balanced loan portfolio. Small business lending is the bank’s market niche and comprises a significant portion of the bank’s loan portfolio. Business loans in origination amounts of \$100,000 to \$400,000 represent a key portion of the bank’s business lending strategy. On the retail side, the bank’s focus has been on mortgage-related products. The majority of mortgage loans are written on balloon notes and the bank remains committed to that product, albeit against stiff competition. The bank is not active in agricultural lending. Based on 1997 data, total farms comprise only 1.8% of the total businesses in TCNB’s AA. Agricultural needs in the AA are being met by more specialized lenders in the area with a niche in agricultural lending. As a result, the bank’s performance in agricultural lending is not being considered as part of this evaluation.

There are no impediments which would hamper the bank’s ability to help meet the needs of its communities. The institution’s ability to meet various credit needs is based on its financial condition and size; product offerings; prior performance; legal impediments; and other factors. As of September 30, 1998, the bank had total assets of \$474.9 million and a return on average assets of 1.52%. Net loans represented 56.47% of total assets with earning assets accounting for 88.79% of total assets. TCNB’s loan portfolio is broken down as follows: \$124.5 million in commercial and industrial loans (45.8% of total loans); \$110.4 million in residential real estate loans (40.6%); \$35.7 million in consumer loans (13.1%); and \$1.6 million (0.5%) in other loans.

Description of Assessment Area

In 1997, TCNB defined its AA as the Milwaukee-Waukesha MSA (MSA 5080) and the Racine MSA (MSA 6600). Although the bank presently has no office locations in the Racine MSA, management opted to include the area in their AA as some offices are were located near the Milwaukee-Racine County line. An office in Sturtevant, Wisconsin, located in the Racine MSA, is scheduled to open in June of 1999. In 1998, bank management expanded the assessment area to include the Kenosha MSA (MSA 3800). Again, the bank has no offices located in this MSA and only a small portion of their lending is done there. Information presented in the text and tables in the Appendix are based on the AA as defined by TCNB for 1997 and 1998 respectively. A separate conclusion on the bank's performance in each MSA is not given in this evaluation as the bank does not currently have offices in either the Racine or Kenosha MSA's. Instead, the conclusion is based on the bank's performance in their defined AA as a whole.

Demographics - 1997

The 1997 AA includes a total of 430 CT's. The area is comprised of 79 low-income CT's (18.4% of all CT's in the AA), 70 moderate-income CT's (16.3%), 196 middle-income CT's (45.6%), 81 upper-income CT's (18.8%), and 4 CT's (0.9%) without an assigned income level. The median family income varies among the MSA's. By family-income level, 81,600 of all families in the AA are low-income families (19.5% of all families), 74,034 are moderate-income families (17.6%), 108,179 are middle-income families (25.8%), and 155,881 are upper-income families (37.1%). Of the 81,600 low-income families, 36,760, or 45% have incomes below the poverty level. These families may have difficulties qualifying for housing-related products. Details on the 1997 AA are presented in Table A below:

TABLE A						
Demographic Information for 1997 Assessment Area: Milwaukee-Waukesha MSA and Racine MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	430	18.4	16.3	45.6	18.8	0.9
Population by Geography	1,607,183	12.3	12.8	49.6	25.2	0.1
Owner-Occupied Housing by Geography	363,215	4.7	9.5	54.9	30.9	0
Businesses by Geography	52,609	8.8	10.5	49	31.3	0.4
Family Distribution by Income Level	419,702	19.4	17.6	25.8	37.1	0.1
Median Family Income (Milw-Waukesha MSA)	= \$39,005	Median Housing Value (Milw-Waukesha MSA)		= \$73,428		
Median Family Income (Racine MSA)	= \$37,991	Median Housing Value (Racine MSA)		= \$64,563		
HUD Adjusted Median Family Income for 1997 (Milw-Waukesha MSA)	= \$50,700	Unemployment Rate (Milw-Waukesha MSA)*		= 3.3%		
HUD Adjusted Median Family Income for 1997 (Racine MSA)	= \$49,100	Unemployment Rate (Racine MSA)*		= 3.8%		
		Families Below the Poverty Level		= 8.8%		

Source: 1990 U.S. Census and 1998 HUD updated MFI.

* Source: Wisconsin Department of Workforce Development - November 1998 Seasonally Adjusted Figures

Demographics - 1998

The 1998 AA includes a total of 461 CT's. The area is comprised of 81 low-income CT's (17.6% of all CT's in the AA), 75 moderate-income CT's (16.3%), 215 middle-income CT's (46.6%), 86 upper-income CT's (18.7%), and 4 CT's (0.8%) without an assigned income level. By family-income level, 87,420 are low-income families (19.3% of all families), 80,817 are moderate-income families (17.8%), 116,803 are middle-income families (25.7%), and 168,834 are upper-income families (37.2%). Details on the 1998 AA are presented in Table B below:

TABLE B Demographic Information for 1998 Assessment Area: Milwaukee-Waukesha MSA, Racine MSA and Kenosha MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts)	461	17.6	16.3	46.6	18.7	0.8
Population by Geography	1,735,364	11.7	12.9	50.7	24.6	0.1
Owner-Occupied Housing by Geography	395,583	4.4	9.6	56.0	30.0	0
Businesses by Geography	56,432	9.1	10.4	51.2	29.3	0.0
Family Distribution by Income Level	453,886	19.3	17.8	25.7	37.2	0.0
Median Family Income (Kenosha MSA)	= \$35,657	Median Housing Value (Kenosha MSA)		= \$65,697		
HUD Adjusted Median Family Income for 1998 (Milw-Waukesha MSA)	= \$53,900	Unemployment Rate (Milw-Waukesha MSA)*		= 3.3%		
HUD Adjusted Median Family Income for 1998 (Racine MSA)	= \$51,100	Unemployment Rate (Racine MSA)*		= 3.8%		
HUD Adjusted Median Family Income for 1998 (Kenosha MSA)	= \$47,400	Unemployment Rate (Kenosha MSA)*		= 3.0%		
		Families Below the Poverty Level		= 8.7%		

Source: 1990 U.S. Census and 1998 HUD updated MFI.

* Source: Wisconsin Department of Workforce Development - November 1998 Seasonally Adjusted Figures

Economy, Major Industries and Employers

The economy of TCNB's AA is generally healthy. Unemployment rates in all MSA's (see Tables A and B above) are comparable to the state-wide average of 3.4%. The Cities of Milwaukee and Racine; however, have unemployment rates that exceed the MSA's at 5.1% and 6.5% respectively. Service and manufacturing industries comprise the bulk of the employment base; however, growth has predominately been in the service sectors. In the past five years, business services, educational services, health services and social services have experienced the most growth. Major employers in the Milwaukee-Waukesha MSA include Quad Graphics Incorporated; Allen-Bradley Company, Incorporated; Briggs & Stratton; Falk Corporation; St. Lukes Medical Center; Northwestern Mutual Life Insurance Company; and Kohl's Department Stores. In the Racine MSA, S.C. Johnson Wax; All Saint's Healthcare; and Case Corporation are the largest employers.

Financial Competition

Financial competition in TCNB's AA is strong. In Milwaukee, Waukesha, Ozaukee, Washington and Racine Counties there are 61 financial institutions, not including credit unions. Several of them are large regional institutions including Firststar, Bank One, U.S. Bank, and Marshall & Ilsley. In total assets, TCNB ranks 14th in the five county area and 11th in Milwaukee County. In addition to banking competition, TCNB faces strong competition from insurance companies, mortgage companies and loan brokers including Countrywide Home Loans, Incorporated, Firststar Home Mortgage Corporation and Fleet Mortgage Corporation.

Community Contacts and Credit Needs

In an effort to assess credit needs of the area, we conducted two community contacts in conjunction with this examination. In addition to our contacts, we reviewed three community contacts conducted by other regulatory agencies during 1998. Our contacts were with a local housing-related agency and an economic development organization. The most frequently cited credit need was residential rehabilitation loans, for both 1-4 family and multi-family homes. This was particularly true for the City of Milwaukee's "Target Area." The Target Area consists of 68 of the 75 low-income census tracts in the City of Milwaukee, 10 of the 64 moderate-income census tracts, 2 middle-income census tracts and one census tract with no assigned income information.¹ The Target Area has been designated by the City of Milwaukee as an area in need of revitalization, in terms of housing and economic development. Other identified credit needs included affordable multi-family housing and small business development loans. Small business borrower education services was also cited as a need in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

TCNB's performance under the Lending Test was evaluated in terms of the volume of lending, the geographic distribution of loans originated and purchased, the borrower dispersion of loans originated and purchased, the responsiveness to community needs, the level of innovation and flexible products offered as well as community development lending activities.

Conclusions

- ▶ A substantial majority of loans are made within TCNB's assessment area.
- ▶ The geographic distribution of loans represent an adequate penetration throughout the AA.
- The distribution of borrowers reflects adequate penetration among retail customers of different income levels. Lending distribution to business customers of different sizes is

¹ Source: City of Milwaukee Annual Review of Lending Practices of Financial Institutions - March, 1998

good.

- TCNB uses some flexible lending products to help serve the AA credit needs.
- TCNB makes an adequate level of community development loans.

Supporting Information

Lending Activity

Lending levels reflect satisfactory responsiveness to TCNB's community credit needs. During 1997 and 1998, TCNB originated 1,306 HMDA reportable loans totaling over \$85 million within its assessment area. In the 21 month period since December 1996, the bank originated over 700 small loans to businesses totaling almost \$47 million. In addition to those small loans to businesses, over 150 small loans for business purposes and secured by residential real estate were originated during that time. These small loans secured by residential real estate totaled over \$19 million. The categories of loans discussed above represent a substantial majority of TCNB's loan portfolio and were used to analyze the bank's performance under the lending test (see Table 1 - Lending Volume in the Appendix).

Assessment Area Concentration

A substantial majority of loans originated during this evaluation period were made in TCNB's AA. This result is expected considering the size of the AA that TCNB has defined. Table C below illustrates the breakdown for the individual lending categories:

Table C Loans Within the Assessment Areas January 1, 1997 through December 31, 1998 *						
Type of Loans:	All Loans Originated		Loans Originated within the Assessment Areas			
	#	\$ (000's)	#	% in AA	\$ (000's)	% in AA
Home Mortgage**	1,364	\$91,896	1,306	96%	\$85,810	93%
Business**	906	\$71,020	873	96%	\$66,885	94%
Total	2,270	\$162,916	2,179	96%	\$152,695	94%

Source: 1997 and 1998 Home Mortgage Disclosure Act (HMDA) - Loan Application Register (LAR); 1997 and 1998 Small Business Data Collection Register.

* - Information on small loans to businesses was available for 1997 through the first nine months of 1998.

** - See Appendix - Loans Reviewed - for further details.

Geographic Distribution

A review of Table 2 - Geographic Distribution: HMDA, in the Appendix discloses that TCNB has a reasonable geographic distribution of loans throughout its assessment area. This conclusion is based on an analysis of the percentage of TCNB's HMDA originations to the owner-occupied housing characteristics of the AA, analyzing the bank's market share in low- and moderate-income tracts in comparison to the bank's overall market share, and taking into account the

context in which the bank operates. Based on 1997 aggregate market share information, the latest available, TCNB ranks 38th in HMDA product originations. This places the bank in the top 10% of lenders (market share .85%) within the AA. The bank's market rank for low- and moderate-income areas in the assessment area is 47th (0.60% market share) and 50th (0.69%) respectively. This is considered satisfactory given the number of families with incomes below the poverty level and increased competition from loan brokers, national mortgage companies, and larger institutions situated closer to the majority of low- and moderate-income CT's in the AA.

An analysis of individual HMDA products follows.

Home Purchase

The bank's geographic distribution of home purchase loans is good. Table 2 indicates that TCNB's percentage of home purchase loans in low- income tracts exceeded the owner-occupied characteristics of the AA in 1997 and was slightly below the demographic characteristics in 1998. Lending volumes in moderate-income tracts of the AA is considered reasonable. Table 2 also indicates that while TCNB's overall home purchase loan market share is 0.47% in its AA, its market share in low- and moderate-income tracts is 0.99% and 0.49% respectively. Additionally, TCNB originated 15.3% of all of its home purchase loans in low- and moderate-income tracts. This compares favorably to the percentage of home purchase loans in low- and moderate-income tracts originated by all lenders in the assessment area (11.6%).

Home Improvement

TCNB's overall geographic distribution of home improvement loans within the AA is considered reasonable. The bank's percentage of home improvement loans in low- and moderate-income tracts is slightly below the owner-occupied percentages in those tracts. Table 2 also indicates that while TCNB has an overall market share of 2.9% in the AA for home improvement loans, its market share in low- and moderate-income tracts is 0.6% and 1.9% respectively. The bank's overall market rank in the AA for home improvement loans is 10th. This is considered positively in light of community contact's identified need for home improvement loans in the AA. TCNB's market rank in low- and moderate-income tracts is 24th and 11th respectively. Considering the strong competition facing TCNB and proximity from LMI CT's, the bank has a satisfactory distribution of home improvement loans in low- and moderate-income CT's.

Home Refinance

Table 2 indicates that the bank's geographic distribution of home refinance loans exhibits a much lower penetration of low- and moderate-income CT's than other HMDA products. Based on 1997 aggregate HMDA data, TCNB ranks 48th of 342 in the AA in home refinance loans with a market share of 0.66%. The bank's market share in low- and -moderate income census tracts is 0.21% and 0.32% respectively. The bank's percentage of home refinance loans in low-income census tracts (0.73%) also lags the owner-occupied demographics of the AA. The major cause of this has been an increase in competition from loan brokers and national mortgage companies and the proximity of the bank's offices from LMI CT's.

Multi-family

The bank has a good geographic distribution of multi-family loan originations. In its assessment area, the bank has an overall ranking of 10th in multi-family loan originations. The bank's market share rank in both low- and moderate-income census tracts is 7th. More than half of the bank's multi-family loan originations were made in low- and moderate-income tracts. This is viewed positively given the need for multi-family housing in the AA. Details on the bank's multi-family loan originations can be found in Table 2 in the Appendix.

Small Business Lending

Small loans to businesses reveal an overall pattern of activity that is reasonable in comparison to the opportunities in the AA. This is detailed in Table 3 - Geographic Distribution: Small Business, Other Loans/Lines for Business Purposes in the Appendix. Only 8.8% of the AA's non-farm businesses are located in low-income tracts. TCNB generated 5.9% of its small loans to businesses in these geographies. Moderate-income tracts contain 10.5% of the non-farm businesses in the AA, while 10.1% of TCNB's small business lending takes place in these tracts. Market share data for 1997 show TCNB ranked 15th with an overall market share of 2.57%. The bank's market share of small loans to businesses in low- and moderate-income census tracts is higher than its overall market share at 2.68% and 3.94%, respectively. This indicates that the bank is committed to meeting the small business needs of its community.

As indicated earlier, the bank has also made a significant volume of loans for business purposes that are secured by residential real estate. These loans can not be reported under the CRA as "small business" loans; however, information on these loans can be maintained at the discretion of bank management. TCNB management has elected to have this portion of their loan portfolio considered for purposes of this evaluation. Table 3 in the Appendix indicates that a substantial majority of this type of lending is done in middle- and upper-income tracts. Over one third of the lending reported in this category was done in Waukesha County which has no low-income tracts and only one moderate-income tract.

Borrower Distribution

The bank has exhibited a satisfactory distribution of loans to retail customers of different income levels and a good distribution of loans to business customers of different sizes. A review of Table 4 - Borrower Distribution: HMDA in the Appendix discloses that TCNB makes loans to retail customers of different income levels. Of all HMDA reportable loans made in 1997 and 1998, 9.9% were originated to low-income individuals. Approximately 19.4% of the families within TCNB's AA are low-income families. For reasons discussed above, the bank's level of lending to low-income individuals is considered satisfactory. TCNB's lending to moderate-income borrowers accounted for 18.7% of all HMDA reportable loans. This is comparable to the AA demographics which show that 18.3% of all families in the bank's AA are moderate-income families.

Market share data for 1997 indicates that TCNB does a good job of lending to low- and moderate-income borrowers in comparison to other lenders in the AA. While TCNB has an overall HMDA loan origination market rank of 37th with a 0.85% market share, it ranks 20th in lending to low-income borrowers and 32nd to moderate-income borrowers. The bank's market share to low- and moderate-income borrowers is 1.24% and 1.03% respectively.

An analysis of individual HMDA products follows.

Home Purchase

Table 4 - Borrower Distribution in the Appendix indicates that the bank's percentage of home purchase loans to low- and moderate-income families is satisfactory. The bank's percentage of home purchase loans to low-income families is somewhat below the AA's demographic characteristics; however, the percentage of home purchase loans to moderate-income families exceeds the AA demographics. A review of market share indicates that TCNB has a higher market share of home purchase loans to low- and moderate-income families than its overall market share. The most recent market data, 1997, indicates that TCNB originated 11% of its home purchase loans to low-income borrowers. This compares well to the overall market rate of 5.7%.

Home Improvement

The bank's record of providing home improvement loans to low- and moderate-income borrowers is reasonable. Table 4 in the Appendix indicates that TCNB's market share of home improvement loans to low- and moderate-income borrowers exceeds its overall home improvement market share. Penetration of home improvement loans to low-income borrowers is considered satisfactory taking into account the percentage of families below the poverty level.

Home Refinance

Similar to the geographic distribution of home refinance loans, the bank's distribution of home refinance loans to borrowers of different income levels is significantly lower than its other HMDA products. However, Table 4 in the Appendix shows that the bank's market share to low- and moderate-income borrowers is higher than its overall market share. The bank's relatively low penetration to low-income borrowers is again attributed to the strong competition the bank faced from national mortgage companies and loan brokers and its proximity from LMI CT's.

Small Business

The penetration to business customers of different sizes is detailed in Table 5 - Borrower Distribution: Small Business, Other Loans/Lines For Business Purposes in the Appendix. The table discloses that TCNB makes 76.4% of its business loans to businesses with revenues of less than \$1,000,000. The table also reveals that 83.8% of its small loans to businesses were made in original amounts of less than \$100,000. These facts indicate that TCNB is making a vast majority of its business loans to small businesses in small dollar amounts. TCNB's level of small loans to businesses ranks 15th in the AA with a market share of 2.57%. When looking at loans made to

businesses with revenues of less than \$1,000,000, the penetration is greater with TCNB ranked 10th with a market share of 3.9%. This places the bank in the top 1% of business lenders in this AA.

Community Development Lending

TCNB makes an adequate level of community development loans. TCNB's community development activities has primarily consisted of loans to purchase or construct multi-family dwellings in low- or moderate-income CT's and providing credit in partnership with the Milwaukee Economic Development Corporation (MEDC - discussed below). Many of the community development projects the bank has been involved with are reported as small loans to businesses and has been positively considered under the other lending tests discussed above. Individual examples of community development lending activities are discussed below:

- ▶ TCNB provided \$700,000 for the construction and interim financing for a 20-unit community-based residential facility in Oak Creek, Wisconsin in 1997. The facility is used for disabled and elderly housing.
- ▶ The bank provided bridge loan financing in the amount of \$400,000 for the Hope House in 1997. The Hope House, situated in a low-income geography, provides shelter and social services for homeless individuals and families.
- ▶ TCNB provided \$197,000 in financing for the purpose of making repairs to a multi-family unit located in a low-income CT in 1998. This project helps revitalize and stabilize a low-income area.
- ▶ In 1998 the bank provided \$25,000 in financing to renovate a multi-family unit in a low-income census tract. This project was in partnership with the MEDC and helps revitalize and stabilize a low-income area.

TCNB and the MEDC have worked in partnership to assist in financing the growth of small business in the bank's assessment area. The MEDC offers financial assistance for projects that benefit the AA by providing funds to fill the gap between the amount a business can raise and what lenders can provide. TCNB has partnered with the MEDC to finance several projects in 1997 and 1998. These projects, reported as small business loans, have received positive consideration under the lending test in "Geographic Distribution" and "Borrower Distribution" above. It should be noted that the MEDC cited TCNB as one of the most active participants in their programs in 1997.

The bank is also involved in providing a \$100,000 line of credit to a revocable trust for the purpose of rehabilitating homes in low- to moderate- income neighborhoods. The projects that

the line of credit has funded received positive consideration under the lending test in the “Geographic Distribution” and “Borrower Distribution” sections above.

Flexible Lending Practices

TCNB utilizes some flexible lending products to help serve the AA credit needs. The main program used is the Wisconsin Housing and Economic Development Authority (WHEDA) Home Ownership Mortgage Loan (HOME) program. The HOME program provides first-time home buyers with long-term, fixed-rate loans to purchase a principal residence. The borrowers income may not exceed certain income standards and can be used in the designated “Target Area” of Milwaukee. For single-family homes, only a minimum down payment of 3% is required. In 1997 and 1998, the bank assisted borrowers in obtaining a total of 36 WHEDA HOME loans totaling nearly \$2 million. These loans are not captured in the HMDA tables as TCNB is not considered to be the originator of these loans. It should be noted that 50% of the residences TCNB assisted WHEDA with in this program were located in low-and-moderate income census tracts.

In late 1998, the bank began offering a mortgage product allowing for greater than 80% loan-to-value ratios with private mortgage insurance. This product is designed to assist home buyers who do not have cash reserves for a more substantial down payment. No loans have been originated with this product yet.

The bank’s utilization of MEDC financing programs is also considered a flexible lending practice. Details on TCNB’s lending in partnership with the MEDC are discussed above under “Community Development Lending.”

INVESTMENT TEST

TCNB's performance under the Investment Test was evaluated in terms of the volume of qualified investments and grants; the level of innovation and complexity associated with the investments; the degree to which the investments and grants responded to the credit and community development needs of the bank's assessment areas; and, the degree to which these investments and activities are not routinely provided by private investors.

Conclusions:

- TCNB has a low level of qualified community development investments and grants. Investments and grants over the assessment period total approximately \$91,000. This conclusion is based on the opportunities that exist in the AA for investment and grant activity, and the ability of the bank to make such investments.
- In a few cases, the bank has been adequately responsive to community needs by co-sponsoring various seminars and contributing to a local non-profit organization focusing on a combination of education and substandard housing rehabilitation.
- TCNB rarely uses innovative and/or complex investments to support community development initiatives.

Supporting Information

TCNB's level of qualified community development investments is not commensurate with the opportunities that exist in the bank's AA. There are numerous organizations providing community needs that could act as a vehicle for qualified grants. Also, although investment opportunities are not as prevalent as in larger metropolitan areas, sufficient qualified investment vehicles do exist. Examples of investment opportunities include the purchase of securities that have a community development purpose or investing in certified Community Development Financial Institutions and other housing, development and redevelopment organizations.

Table 7 - Qualified Investments, located in the Appendix, details the number and dollar amount of investments organized by Affordable Housing projects, Community Service projects, Economic Development/Small Business projects, and Revitalizing or Stabilizing projects. A few of the more prominent investments made by TCNB are detailed below:

- TCNB has invested \$50,000 in the Neighborhood Housing Services of Milwaukee, Incorporated (NHS) revolving loan pool. The pool is used to fund home improvements in the target area of the City of Milwaukee. NHS strives to revitalize low- and moderate-income neighborhoods of Milwaukee through pre- and post-home ownership counseling, sponsoring home maintenance workshops and assisting clients in obtaining home improvement loans. The bank has invested this amount for a number of years, and renews its investment annually.

- ▶ The bank made a \$10,000 donation (\$5,000 in 1997 and \$5,000 in 1998) to The WHEDA marketing program for the Lindsay Heights Initiative (LHI). The LHI program is directed toward marketing affordable factory-built new single family homes to residents in the heart of Milwaukee's Central City.
- TCNB has committed \$5,000 to the Young Mens Christian Association (YMCA) Inner City Development, payable in increments of \$1,000 per year starting in 1997. Funds from this program are directed to the Metro Milwaukee YMCA and used for home rehabilitation, child care services and youth programs in low income areas.
- ▶ The bank has contributed \$5,000 for educational purposes, and an additional \$3,000 for new computers, to the Redcat Academy Foundation Limited, a non-profit organization. In the Redcat Academy program, 9th and 10th grade students are trained in basic home construction processes while 11th and 12th graders gain experience by rehabilitating residential properties. The properties are located in low-and moderate-income neighborhoods. The rehabilitation efforts create affordable low-income housing.

SERVICE TEST

TCNB's performance under the Service Test was evaluated in terms of Retail Banking Services (the accessibility of delivery systems, changes in branch locations and the reasonableness of business hours and services to help meet the assessment area's needs) and the level of community development services provided in the AA.

Conclusions:

- TCNB provides a relatively high level of community development services, many of which were cited by community contacts as needed services in the AA. In several instances, the bank takes a leadership role by co-sponsoring events or volunteering time.
- TCNB's delivery systems are reasonably accessible to all portions of the institution's assessment area.
- To the extent changes have been made, the institution has improved the accessibility of its delivery systems. Since its last CRA examination, the bank has opened a convenience center in a low-income census tract.
- Services, including business hours, do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income individuals.

Supporting Information

Retail Banking Services

Branch Network

Taking into account TCNB's community banking background and historical structure (see the "Description of Institution" section on page 5), TCNB makes its retail services reasonably accessible to all portions of its AA. There are 14 full service brick-and-mortar branches located in the assessment area. All of the brick-and-mortar locations have a drive-up facility. In addition to the 14 full-service locations, the bank also operates 15 convenience centers located in Pick 'N Save grocery stores, one remote drive-up facility, and a limited-service branch in a senior citizen facility. See Table 6 - Distribution of Branch and ATM Delivery System, located in the Appendix, for details.

All branches offer loan products and deposit services. Commercial loan originators are located at all 14 brick-and-mortar locations. The convenience center locations offer consumer loans; and refer residential and commercial loans to the nearest brick-and-mortar location. Commercial lenders are available to meet with customers at any office location or at the customer's place of business.

TCNB's record of opening and closing offices since the last examination has improved the accessibility of its delivery systems. Since the last CRA examination, the bank opened a convenience center at 1818 West National Avenue in the City of Milwaukee. As stated above, this convenience center is located in a low-income census tract and has a lender on-site to process consumer loans.

Overall branch hours are reasonable. Full-service branch locations are open from 9 a.m. to 6 p.m. on weekdays and on Saturday from 9 a.m. till noon. Drive-through facilities operate from 8 a.m. to 6 p.m. on weekdays and from 8 a.m. to 2 p.m. on Saturday. The Pick 'N Save convenience center hours are tailored for customer convenience. These facilities are open from 10 a.m. to 8 p.m. seven days a week.

Alternative Delivery Systems

TCNB's alternative delivery systems make services more accessible. The bank operates 28 proprietary Automated Teller Machines (ATMs) within its AA. All of the traditional branches and 13 of the convenience center locations are equipped with a 24 hour ATM. One ATM, in a predominately Hispanic neighborhood, offers a Spanish language option.

Other alternative delivery systems that TCNB offers include:

- **Just Dial T-R-I-C-I-T-Y** - A 24 hour telephone banking service where customers can access information regarding deposit and loan information. Specifically, the customer is able to transfer funds between accounts, check balances and inquire on the status of checks on deposit. The customer is also able to inquire on the status of payments, payoffs, interest, and balances on loans.
- **Small Business Checking** - A checking account available for businesses with a low number of monthly transactions. The account minimizes banking costs while enabling the bank to establish a relationship with the business. There is a monthly maintenance fee and transactions are generally charged a per item fee after 50 items are processed.

Community Development Service

TCNB provides a relatively high level of community development services which address the AA's needs. Many bank employees and officers provide community development services to organizations that have as their primary purpose economic development and revitalization, affordable housing, and social services targeted to low- and moderate-income persons. In several cases, TCNB personnel serve in a leadership capacity with regard to community development initiatives. The programs and organizations that TCNB has provided services for are detailed below:

TCNB has co-sponsored numerous home buying seminars presented by Walkers Point Development Corporation (WPDC). The WPDC provides pre- and post-home ownership

counseling focusing on low-income families. The bank has provided employees to serve as panelists for the presentations in both English and Spanish.

In addition to TCNB's efforts in home ownership counseling seminars with the WPDC, the bank also co-sponsored a Credit and Budgeting seminar through WPDC. The seminar focused on managing family budgets, balancing income and expenses and basic steps of managing a checking account. The seminar was geared toward low- to moderate-income individuals.

Officers of the bank have conducted several presentations as guest speakers at seminars presented by the Wisconsin Women's Business Initiative Corporation (WWBIC). The WWBIC is a not-for-profit economic development corporation whose goal is to provide business education, technical assistance and access to capital for small and micro-business throughout Wisconsin, including TCNB's AA. Bank employees spoke on what a bank needs to see in a business plan, what type of financing is available, how to develop cash flow projections and what information businesses need to obtain financing.

A bank employee also acted as a facilitator at a financing symposium sponsored by WWBIC and the Martin Luther King Economic Development Corporation (MLKEDC). The symposium consisted of small business owners and focused on small business financing structures. The MLKEDC is a certified Community Development Financial Institution whose primary mission is to promote community development in eligible target markets.

An officer of the bank serves as a Board member and Vice-President of the Wauwatosa Revolving Loan Fund (WRLF). The WRLF is a private corporation established by the City of Wauwatosa in Milwaukee County. The mission of the WRLF is to help keep and attract small businesses to the City. The WRLF makes up to \$50,000 available to both existing and new businesses wanting to establish itself in the City of Wauwatosa. One of the requirements of obtaining funds is to show that the request for financing was not available from traditional sources due to lack of collateral or experience.

An officer of the bank serves on the loan committee of the West Allis Economic Development (WAED) loan program. The purpose of the program is to facilitate new job creation for low- to moderate-income workers. Borrowers must guarantee they will create one new job for every \$10,000 the city lends. At least 51% of the new jobs must be filled by a worker from a low-to-moderate income household. The program is designed to fill the gap between available private financing and the total project costs.

Bank personnel have participated in many WHEDA home buyers' workshops. WHEDA serves Wisconsin residents and communities by working with others to provide creative financing and technical resources to create and preserve affordable housing, small business and agriculture. As a lender, bank employees gather basic home buyer information and provide information on the steps necessary to clear up credit report issues. Information on the home purchase process and responsibility of buying and owning a home is also presented. Once the counseling is completed, a certificate is issued allowing the home buyer to qualify for a 3% home loan down payment. The workshops are geared towards low-and moderate-income first-time home buyers.

A member of TCNB's Board of Directors serves on a committee of the Service Corps of Retired Executives Association (SCORE). SCORE provides a counseling program offered through the Small Business Association. SCORE is comprised mostly of retired business executives who volunteer their time to help entrepreneurs who want to start a business or people who are in business and need help in solving business problems.

A bank employee served on the credit committee of NHS in 1997. The goals of NHS were described earlier in this Public Disclosure.

An employee at the bank's Clark Square facility, located in a low-income CT, conducts home ownership counseling sessions on site. The counseling sessions are intended to educate prospective home buyers on the home purchase process.

An employee of the bank is teaching a personal economics class to middle school students through a Junior Achievement program. The class is being taught at a school located in a moderate-income census tract. This employee has also been a speaker at the Holton Youth Center discussing banking and the advantages of savings.

A TCNB employee serves on the Forward Cedarburg, Incorporated (FCI) Board of Directors. FCI serves as the economic development arm of the community and strives to promote and create opportunities for small business.

Bank employees participated in the 1997 Community Home buyer's Expo held in a moderate - income census tract. In addition to promoting first-time home buyer loans, credit counseling was offered to those interested in the home purchase process.

An officer of the bank attended and participated in a City of Milwaukee-wide home buyer education event sponsored by the Committee of African American Lenders (CAAL). This event focused on the home buying process. In addition, two officers of the bank are members of the CAAL which focuses on home ownership education and awareness in many communities in Milwaukee, including low- and moderate-income geographies.

A bank employee ran several social service programs with the Wauwatosa Police Department concerning the prevention of fraud. The programs were directed at the elderly population of the community.

Bank employees are active in several other organizations that assist developmentally disabled persons, promote economic revitalization, and provide social services throughout the bank's assessment area. For example, several employees are active in local Chambers of Commerce, the Muscular Dystrophy Association, the YMCA, and the Salvation Army.

TCNB also offers a no-cost, no minimum balance and discounted services checking account to senior citizens with a requirement of automatic deposit of payroll, pension, social security or investment proceeds.

FAIR LENDING REVIEW

The OCC conducted a fair lending examination of TCNB concurrently with its CRA examination. Home refinance loans were targeted for the review. The bank's 1998 Home Mortgage Disclosure Act (HMDA) Loan Application Register (LAR) was analyzed to identify any loan terms variances between single applicants and married applicants with an emphasis on marital status during the credit process. A comparative analysis between minority denials and non-minority denials was not performed as there was an insufficient number of minority denials by product type to complete a meaningful analysis. We reviewed files for compliance with applicable fair lending laws and regulations. Single applicants and married applicants were matched to ensure both groups received similar loan terms when obtaining credit. The results of the comparative analysis showed no disparate treatment of single and married applicants during the time period reviewed with respect to home refinance loans.

APPENDIX

Table 1 - Lending Volume

LENDING VOLUME		State: Wisconsin		Assessment Period: January 1, 1997 to December 31, 1998							
Total Assessment Area	Residential		Small Business		Other Business Loans		Community Development		Total Loans		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
1997	568	33,461	457	28,386	91	9,009	3	1,170	1,119	72,026	
1998	738	52,349	249*	19,048*	76*	10,442*	3	312	1,066	85,151	
TOTAL	1,306	85,810	706	47,434	167	19,451	6	1,482	2,185	157,177	

*Through September 30th, 1998

Table 2 - Geographic Distribution: HMDA

State: Wisconsin		Assessment Period: January 1st, 1997 - December 31st, 1998												
Total Assessment Area	Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Overall Market Rank*	Market Share*				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp
HOME PURCHASE MORTGAGE LOANS														
1997	4.7%	6.5%	9.5%	8.8%	54.9%	48.9%	30.9%	35.8%	52nd	0.47%	0.99%	0.49%	0.42%	0.50%
1998	4.4%	3.1%	9.6%	5.5%	56.0%	49.7%	30.0%	41.7%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4.5%	4.7%	9.6%	7.0%	55.5%	49.3%	30.4%	39.0%	N/A	N/A	N/A	N/A	N/A	N/A
HOME IMPROVEMENT LOANS														
1997	4.7%	1.3%	9.5%	8.1%	54.9%	50.0%	30.9%	40.6%	10th	2.90%	0.64%	1.90%	2.60%	4.70%
1998	4.4%	3.8%	9.6%	8.2%	56.0%	49.5%	30.0%	38.5%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4.5%	2.5%	9.6%	8.1%	55.5%	49.8%	30.4%	39.6%	N/A	N/A	N/A	N/A	N/A	N/A
REFINANCE LOANS														
1997	4.7%	1.5%	9.5%	4.1%	54.9%	52.3%	30.9%	42.1%	48th	0.66%	0.21%	0.32%	0.67%	0.80%
1998	4.4%	0.3%	9.6%	5.1%	56.0%	48.6%	30.0%	46.0%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4.5%	0.7%	9.6%	4.7%	55.5%	49.9%	30.4%	44.6%	N/A	N/A	N/A	N/A	N/A	N/A
MULTI-FAMILY LOANS														
1997	4.7%	20.0%	9.5%	30.0%	54.9%	30.0%	30.9%	20.0%	10th	2.30%	4.20%	3.70%	1.40%	2.40%
1998	4.4%	40.0%	9.6%	20.0%	56.0%	33.3%	30.0%	6.7%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	4.5%	32.0%	9.6%	24.0%	55.5%	32.0%	30.4%	12.0%	N/A	N/A	N/A	N/A	N/A	N/A

*Based on 1997 Aggregate HMDA Data only.

Table 3 - Geographic Distribution: Small Business, Other Loans/Lines for Business Purposes

Geographic Distribution: Small Business				State: Wisconsin				Assessment Period: January 1st, 1997 - December 31st, 1998						
Total Assessment Area	Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Overall Market Rank*	Market Share*				
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp
SMALL BUSINESS LOANS														
1997	8.9%	6.8%	10.1%	10.9%	50.4%	48.8%	30.3%	33.3%	15th	2.57%	2.68%	3.94%	2.52%	2.35%
1998 **	9.1%	4.4%	10.4%	8.4%	50.9%	58.7%	29.3%	28.5%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	9.0%	5.9%	10.3%	10.1%	50.7%	52.3%	29.7%	31.6%	N/A	N/A	N/A	N/A	N/A	N/A
OTHER LOANS/LINES FOR BUSINESS PURPOSES														
1997	8.9%	4.4%	10.1%	8.8%	50.4%	42.8%	30.3%	44.0%	N/A	N/A	N/A	N/A	N/A	N/A
1998**	9.1%	0.0%	10.4%	6.6%	50.9%	44.7%	29.3%	48.7%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	9.0%	2.4%	10.3%	7.8%	50.7%	43.7%	29.7%	46.1%	N/A	N/A	N/A	N/A	N/A	N/A

*Based on 1997 Aggregate HMDA Data only. No market share data is available for other loans/lines for business purposes.

** Through September 30, 1998.

Note: The percent of businesses and bank loans by tract may not add up to 100%. This is due to businesses being located in tracts without income information.

Table 4 - Borrower Distribution: HMDA

State: Wisconsin Assessment Period: January 1st, 1997 - December 31st, 1998														
Total Assessment Area	Low-Income Families		Moderate-Income Families		Middle-Income Families		Upper-Income Families		Overall Market Rank*	Market Share*				
	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans	% of Families	% BANK Loans		Overall	Low	Mod	Mid	Upp
HOME PURCHASE MORTGAGE LOANS														
1997	19.5%	11.0%	17.6%	16.8%	25.8%	29.9%	37.1%	32.8%	52nd	0.47%	0.91%	0.48%	0.50%	0.42%
1998	19.3%	16.6%	17.8%	20.9%	25.7%	19.6%	37.2%	38.6%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	19.3%	14.0%	17.7%	19.0%	25.8%	24.3%	37.2%	36.0%	N/A	N/A	N/A	N/A	N/A	N/A
HOME IMPROVEMENT LOANS														
1997	19.5%	11.6%	17.6%	21.4%	25.8%	29.5%	37.1%	34.8%	10th	2.90%	3.29%	3.13%	2.69%	2.88%
1998	19.3%	14.0%	17.8%	19.2%	25.7%	29.3%	37.2%	35.1%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	19.3%	12.7%	17.7%	20.4%	25.8%	29.4%	37.2%	35.0%	N/A	N/A	N/A	N/A	N/A	N/A
HOME REFINANCE LOANS														
1997	19.5%	6.6%	17.6%	19.3%	25.8%	37.1%	37.1%	32.5%	48th	0.66%	0.68%	0.88%	0.95%	0.57%
1998	19.3%	5.4%	17.8%	17.3%	25.7%	31.5%	37.2%	40.1%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	19.3%	5.8%	17.7%	18.0%	25.8%	33.5%	37.2%	37.4%	N/A	N/A	N/A	N/A	N/A	N/A

*Based on 1997 Aggregate HMDA Data only.

Note: The percent of bank loans by family level may not add up to 100%. This is due to the unavailability of income information on some borrowers.

Table 5 - Borrower Distribution: SMALL BUSINESS, OTHER LOANS/LINES FOR BUSINESS PURPOSES

State: Wisconsin Assessment Period: January 1st, 1997 - December 31st, 1998								
Total Assessment Area	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share*	
	% of Businesses	% BANK Loans	% Market Loans	< \$100,000	\$100,000 to \$250,000	> \$250,000	All	Rev \$1 million or less
SMALL BUSINESS LOANS								
1997	69.1%	76.4%	50.4%	383	51	23	2.57%	3.90%
1998**	69.2%	75.5%	N/A	188	40	21	N/A	N/A
TOTAL	69.2%	76.1%	N/A	571	91	44	N/A	N/A
OTHER LOANS/LINES FOR BUSINESS PURPOSES								
1997	69.1%	79.1%	N/A	66	15	10	N/A	N/A
1998**	69.2%	81.6%	N/A	42	23	11	N/A	N/A
TOTAL	69.2%	80.2%	N/A	108	38	21	N/A	N/A

*Based on 1997 aggregate small business data only. No market share data is available for other loans/lines for business purposes.

** Through September 30th, 1998

Table 6 - Distribution of Branch and ATM Delivery System

DISTRIBUTION OF BRANCH AND ATM DELIVERY SYSTEM							State: WISCONSIN		Assessment Period: January 1st, 1997 - December 31st, 1998								
MSA/Assessment Area:	Branches						ATMs						Population				
	# of BANK Branches	% of Total BANK Branches	Location of Branches by Income of Geographies				# of BANK ATMs	% of Total BANK ATMs	Location of ATMs by Income of Geographies				% of the Population within Each Geography				
			Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
Milwaukee-Waukesha MSA																	
Milwaukee County	24	77.4%	1	4	16	3	23	82.2%	1	4	16	2	19%	20%	47%	14%	
Waukesha County	5	16.1%	0	0	0	5	4	14.3%	0	0	0	4	0%	0%	34%	66%	
Ozaukee County	2	6.5%	0	0	1	1	1	3.5%	0	0	0	1	0%	0%	49%	51%	
Total in AA	31	100%	1	4	17	9	28	100%	1	4	16	7	14%	14%	44%	28%	

Table 7 - Qualified Investments

QUALIFIED INVESTMENTS		State: WISCONSIN				Assessment Period: January 1st, 1997 - December 31st, 1998				
Total Assessment Area	Affordable Housing		Community Service		Economic Development/ Small Business		Revitalize or Stabilize		Total Investments	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
	7	71.2	5	9.0	2	5.5	1	5.0	14	90.7
Other in-kind donations were provided to several organizations.										

Scope of Examination

Time Period Reviewed: January 1, 1997 through December 31, 1998 for HMDA reportable and Community Development Loans. January 1, 1997 through September 30, 1998 for Small Business and “Other Lines/Loans” for Business Purposes.			
Financial Institution Tri City National Bank			Products Reviewed Home Mortgage Loans Small Business Loans Community Development Loans “Other Lines/Loans” for Business Purposes
Affiliate(s)	Affiliate Relationship		Products Reviewed
None Reviewed	N/A		N/A
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Exam	Branches Visited	Other Information
1997: Wisconsin MSA 5080 Milwaukee-Waukesha MSA 6600 Racine	on-site	1	None
	N/A	N/A	
1998: The above MSA’s plus MSA 3800 Kenosha	N/A	N/A	

Loans Reviewed

Home Mortgage Loans: Tri City’s 1997 and 1998 HMDA-LAR were used in assessing the bank’s performance under the Lending Test.

Business Loans: Tri City’s 1997 and year-to-date 1998 (through September 30, 1998) Small Business Data Collection Register were used in assessing the bank’s performance under the Lending Test. The 1997 and year-to-date 1998 Small Business Data Collection Registers were tested for accuracy. A statistical sample of 40 loans for 1997 and 30 for 1998 were reviewed. Of the \$6 million in loans reviewed in 1997, we found that approximately 10% of the dollar amount should not have been reported as a “small loan to a business.” However, we found that over half of the amount that was over reported as a “small loan to a business” should have been reported as “other loans/lines for business purposes.” The figures in the body of this Public Disclosure and in the Tables in the Appendix were not adjusted as a result of our review as the total dollar amount of errors did not affect our ability to judge the bank’s performance. The error rate in the 1998 sample was not deemed significant.

Other Lines/Loans For Business Purposes: Tri City’s 1997 and year-to-date 1998 (through September 30, 1998) Other Lines/Loans for Business Purposes were used in assessing the bank’s performance under the Lending Test.